1	2	3
2014-15	29.2	4.5
2015-16	29.2	3.5
2016-17	29.2	2.5
2017-18	21.9	2.3
2018-19	14.6	2.5

* Annual Gas Production (AGP)

** Reserve-to-production ratio

(R/P Ratio)

(d) The plateau period of 80 MMSCMD is for six years.

(e) The Government will get 5% royalty for the first 7 years and profit petroleum as per production Sharing Contract based on the investment multiple as under:

Investment Multiple	Government Share
1.0-1.5	10%
1.5-2.0	16%
2.0-2.5	28%
2.5>above	85%

(f) Government take including royalty and petroleum profit is governed by the provisions of PSC.

Oil Storage

957. SHRI N.K. SINGH:
SHRIMATI SHOBHANA BHARTIA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is working out a plan to offer space in the upcoming underground oil storage facilities to global crude suppliers with the aim of spreading investment risks of building and maintaining a buffer stock of crude;

(b) if so, the details in this regard;

(c) whether the capacity of the present buffer stock of crude would also be increased; and

(d) if so, to what extent and the likely investment etc. to be involved therein?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) No, Sir.

(b) Does not arise.

(c) and (d) The Government decided in September, 2005 to set up a Strategic Crude Oil Reserve of 5 Million Metric Tonne (MMT) capacity at 3 locations viz., Vizag (1.0 MMT), Mangalore

(1.5 MMT) and Padur (2.5 MMT) through the Indian Strategic Petroleum Reserves Limited (ISPRL), a 100% subsidiary of the Oil Industry Development Board (OIDB). The capacity at Vizag is proposed to be enhanced from 1 MMT to 1.3 MMT. This strategic storage of crude oil would be in addition to the existing storages of crude oil and petroleum products available with the oil companies.

The project involves a capital cost of approximately Rs.2400 crore (at September 2005 prices) and Crude Oil cost of approximately Rs.9000 crore, besides operation and maintenance cost, estimated to be about Rs.90 crore per annum.

Crude oil from the Reserves will be released by a Government-appointed High Powered Committee, to deal with any short-term disruptions in crude oil supplies due to any unforeseen global event like war etc., leading to an abnormal increase in crude oil prices, or to deal with a contingency arising out of a natural calamity.

Investment in Oilfields

958. DR. JANARDHAN WAGHMARE:
SHRIMATI SHOBHANA BHARTIA:
Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether, in view of steep fall in output from its ageing Bombay High and other Western offshore fields, the ONGC has decided to invest several crores in the new and existing fields during the current year, to raise output;

(b) if so, the details thereof;

(c) whether ONGC has suffered losses worth several crores on its ageing oilfields; and

(d) if so, the manner in which Government proposes to revive such ageing oilfields and to make them profitable?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI JITIN PRASADA): (a) and (b) Mumbai High is one of the oldest producing oil fields of Oil & Natural Gas Corporation Ltd. (ONGC) in the western offshore. The field is under production for more than three decades. The decline in production is a natural phenomenon in old and ageing fields, same is the case with Mumbai High field. ONGC has reported that several Improved Oil Recovery (IOR) schemes have been implemented which helped in arresting the decline in production and in augmenting production of oil and gas in Mumbai High and other major fields of western offshore. The approved cost of the different schemes implemented/being implemented is about Rs. 31,205 crores.

(c) The decline in production from the old and ageing field is a natural process in producing life of a fields and is accounted for in the field development plan. For matured field, sustenance of production requires more inputs in the form of investments for its re-development. This is a standard practice in the global Exploration & Production (E&P) Industry. Therefore, it can not be said that ONGC has suffered losses on its ageing oil field.